

November 20, 2009

Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the November 20, 2009 meeting were distributed to Commission members, intervenors and other interested parties October 23, 2009 and sent to the Secretary of State's Office for posting on October 26, 2009.

Commission Present: Richard Cook, John Joseph, Mark Hedrich, *ex-officio* and Acting Chairman Colon Durrell

Commission Absent: Michael Wiers

Department Officials: None

Staff Present: Tim Drake, Executive Director, Audrey Shorty, Resource Administrator and Carol Gauthier, Office Associate

Legal Counsel: Amy Mills

Intervenors Present: John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, John Economy, Garelick Farms, Linwood Wilson of Hannaford, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Julie-Marie Bickford, Executive Director of MDIA.

Others Present: Fred Hardy from MDIA and Ruby Hardy, public attendee.

Acting Chair Durrell called the meeting to order at 1:42 p.m.

Agenda Item 1: Minutes: Richard Cook made a motion to accept the minutes of the October 23, 2009 meeting. John Joseph seconded. Motion passed 3-0.

Agenda Item 2: Amy Mills, Assistant Attorney General: Nothing to report.

Agenda Item 3: Minimum Prices:

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for December 2009 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for December is \$17.24. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.58/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Acting Chairman Durrell asked if there were any comments or new information from the interveners.

Julie-Marie Bickford of MDIA noted that the "tier program" would not be issuing any payments to dairy producers until mid February when the budgeted \$4.349 million would be available. This means that producers will not receive any "tier" payments for the months of November, December and January. She also stated that while the climbing milk prices were a good sign they were still not above the cost of production. Julie-Marie also noted that the \$290 million appropriated by Congress would be distributed in December but that no other details were known at this time.

Colon Durrell asked how much each farm would receive.

Julie-Marie Bickford answered that it was too early to know and that many believed that the payments would be in MILC type form.

Dale Cole of MDIA noted for the commission that increased milk prices would decrease Federal MILC payments to farmers, he also stated that feed prices were up and could continue another \$30 to \$40 per ton.

Julie-Marie Bickford informed the Commission members that feed quantity and quality was down for Maine farms due to weather which puts more pressure on farms when credit is drying up.

Tom Brigham of Oakhurst made the comment that these are difficult times for farms and would ask that the Commission keep the current producer margin for one more month but that it should be noted that this is temporary and should be reviewed next month.

John Blake of Hoods and John Economy of Garelick Farms echoed this sentiment.

MDIA representatives thanked the processor representatives for their support.

No other testimony was offered.

John Joseph made a motion to accept order 12-09 as prepared with a producer margin of \$1.58/cwt. Richard Cook seconded this motion. The motion passed 3-0

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for November 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick. Price surveys for IAMCA were unavailable.

Agenda Item 5: Next Scheduled Meetings:

- December 18, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- January 12, 2010, Tuesday 10:00 a.m.
Agricultural Trades Show at the Augusta Civic Center
- January 22, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- February 19, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- March 19, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary and Tim Drake updated his progress in getting a new dairy database built.

2. **Valio USA promotion violation:** Tim Drake informed the Commissioners of a violation of milk promotion statute, Valio USA had requested permission to run a promotion that included a \$1 off brand specific coupon. Mr. Drake informed them that this was not permitted by statute; however the promotion was run in mid to late October. A letter had been sent to Valio USA informing them of this violation and asking them to discontinue the promotion immediately, they responded with a plan of how they would avoid this type of practice in Maine in the future. Tim Drake and AAG Amy Mills were asked to respond to this as previous similar violations had been addressed.
3. **Task Force update:** Tim Drake updated the Commission on the Dairy Task Force, stating that the last meeting of the Task Force was scheduled for Tuesday November 24th and a final report would follow shortly. Mr. Drake will make sure that Commission members receive a copy of the report.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session.

Adjourned: Adjourned at 2:35 p.m. November 20, 2009.

Tim Drake, Maine Milk Commission